

Message Text

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ACTION NEA-05

INFO OCT-01 ISO-00 EB-05 DRC-01 RSC-01 /013 W

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P 050916Z APR 74

FM AMCONSUL LAHORE

TO USDOC WASHDC PRIORITY

INFO SECSTATE WASHDC PRIORITY 9955

AMEMBASSY ISLAMABAD

AMCONSUL KARACHI

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FOR HENDERSON, SAD/OIM/DIBA

E.O. 11652: N/A

TAGS: BEXP, BTRA, PK

SUBJECT: LOCOMOTIVES AND OTHER SALES TO PWR

REF: STATE 068245

1. MR. M.A. AZIZ DROPPED BY CONGEN BEFORE LEAVING FOR CANADA
APRIL 5. HE SAID SEVERAL THINGS THAT BEAR UPON INFO CON-
TAINED REFTEL. (WE HAVE NOT YET RECEIVED STATE 65559.)

2. RE PARA 5, AZIZ SAID PWR DOES NOT INTEND TO ISSUE TENDER
SPECIFICATIONSG
O HE ASSERTED ALCO AND OTHER BIDDERS ARE V
FAMILIER WITH PWR PROCEDURES AND DESIRES, SO THERE IS NO NEED.
HE WENT ON TO SAY THAT FINANCING NEEDS WERE BEST DISCUSSED
ACROSS BARGAINING TABLE, BUT THAT OF COURSE PWR WANTED BEST
TERMS IT COULD GET. HE HAD NO PARTICULAR ADVICE TO GIVE
ON DELIVERY TIMES, BUT INDICATED THE SOONER, THE BETTER.
(HOWEVER, SEE PARA 3 BELOW.)

3. FYI ONLY - AZIZ THEN LET IT DROP THAT PWR PROBABLY FAVORS
GENERAT MOTORS (US) BID OVER OTHERS, FOR SEVERAL REASONS:
(A) GM BID IS LOWER BY FAR THAN OTHERS, INCLUDING GM OF
CANADA; (B) ALTHOUGH GM BID INDLUDED NO FINANCING OFFER,
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IT HAS BEEN MADE CLEAR TO PWR THAT GM WILL PRESENT ATTRACTIVE

FINANCING PROPOSAL TO PWR IF ITS BID IS ACCEPTED; (C) GM HAS NOT BEEN "PUSHY" WITH PWR AFTER SUBMITTING ITS BID (AS HAVE OTHER FIRMS); (D) GM DELIVERY DATES ARE "MOST ATTRACTIVE"; AND (E) MLW TRIED TO "CHEAT" IN ITS BID BY CLAIMING ITS 12 CYLINDER LARGE ENGINE COULD DEVELOP 3000 HP. (AZIZ CONTENDED THAT EVEN IF 12 CYLINDER ENGINE COULD DEVELOP 3000; #0 *94 ?483* 03489\$, LOAD WOULD BE SO GREAT THAT MAINTENANCE COSTS WOULD BE PROHIBITIVE. HE SAID PWR BELIEVES ONLY 16 CYLINDER ENGINES CAN DO JOB. MOREOVER, MLW BID WAS MUCH HIGHER THAN OTHER BIDDERS.)

4. HOWEVER, AZIZ SAID THAT IF ALCO AND MLW PRESENTED BETTER PROPOSAL AND CAME UP WITH FINANCING THAT MADE THEIR BID COMPETITIVE WITH GM, THEN PWR MIGHT OPT FOR IT. HOWEVER, IN PRINCIPLE HE PREFERRED TO GIVE CONTRACT TO LOWEST BIDDER, WHICH AT PRESENT JUNCTURE IS GM. HE LOOKED FORWARD TO SORTING OUT CONFLICTING CLAIMS DURING TRIP TO US AND CANADA, AND HOPED HE WOULD RETURN WITH CONTRACT IN HAND. END FYI.

5. AZIZ REPORTED WHAT WE WERE TOLD APRIL 4 BY M.O. TURER OF GE -- THAT IT NOT CLEAR TO HIM WHETHER GOP FINANCE SECGEN KAZI WILL VISIT US. HOWEVER, UPON FURTHER PROBING, IT APPARENT THAT AZIZ CONSIDERS KAZI'S MOVEMENTS PRIVILEGED INFORMATION, AND THAT KAZI WILL PROBABLY COME TO WASHINGTON AND WANTS TO TALK TO EXIM. IN ANY CASE, AZIZ SAID HE WOULD URGE KAZI TO GO TO EXIM, PARTICULARLY IN VIEW COMMENT IN PARA 3 REFTEL, OF WHICH I INFORMED HIM. AZIZ WAS GRATEFUL FOR ATTENTION HENDERSON GIVING HIS REQUEST.
GRIFFIN

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